

Good morning, my name is Marie Lenane and I am a Purchase of Service Pricing Analyst at the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on the proposed amendments to 101 CMR 430.00: Rates for Program of Assertive Community Treatment Services (PACT) that will establish rates for the Program of Assertive Community Treatment, to be purchased by the Department of Mental Health (DMH). PACT is a comprehensive service model for individuals with serious mental illness who may benefit from intensive coordinated services and who have not responded well to program- or office-based interventions. PACT services include outreach, engagement, rehabilitation, clinical, health-related and recovery-based interventions, and support. The Forensic PACT program is designed to serve clients with current involvement with or a history of repetitive involvement with the criminal justice system.

Amendments to this regulation are being proposed at this time in accordance with M.G.L. Chapter 118E, Section 13D, which requires the Secretary of EOHHS to establish by regulation rates of payment for social services that are reasonable and adequate to meet the costs incurred by efficient and economically operated social service providers.

The effective date of the proposed amended regulation is July 1, 2023.

In accordance with this statutory requirement, the rates in 101 CMR 430.00 are being updated to include an increase by a cost adjustment factor (CAF) of 2.78 %. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Fall 2022 Forecast, optimistic scenario data. The CAF reflects the period between the rates' base period (fiscal year 2023 Q4) and the prospective period of fiscal years 2024 and 2025. The rates for DMH's Program of Assertive Community Treatment services have been updated to incorporate a new rate for the Program of Assertive Community Treatment that serves youth.

The rates for this DMH service have been updated with the programmatic cost benchmarks to either similar services programmatic expenses, the FY21 Uniform Financial Statements and Independent Auditor's Report (UFR), or the purchasing agency's recommendation. In addition, the rates for all services have been updated to include all staff salaries. It is the Purchase of Service (Chapter 257) policy to utilize salary data from the most recent version of the Massachusetts Bureau of Labor Statistics Occupational Employment and Wage Statistics (OEWS) available at the time of the rate

review. As such, the benchmarks are derived from the Massachusetts Bureau of Labor Statistics (BLS) wages dated May 2021 at the 53rd percentile. The tax and fringe rate has been benchmarked to 25.39%. This benchmark is derived from the MA Comptroller's FY23 approved rate less terminal leave and retirement. This benchmark includes an additional 2% to be used to promote workforce initiatives such as retirement benefits. Lastly, rate provision language has been incorporated into this regulation to allow for administrative adjustments for extraordinary circumstances, which is consistent with other Chapter 257 rate regulations.

The total projected annualized cost to state government from the increase in rates effective July 1, 2023, is approximately \$2 million, which represents an increase of 15.25% over FY23 projected spending of approximately \$12.8 million.

This concludes my testimony. Thank you.